

**Billing and Collection Agent Report  
For period ending June 30, 2017**

**To B&C Working Group**

**July 10, 2017**

**NANPA FUND  
STATEMENT OF FINANCIAL POSITION  
June 30, 2017**

**Assets**

Cash in bank		\$ 2,070,814
Receivables		
Receivable from US Carriers	119,769	
Receivable from Canada	9,741	
Receivable from Caribbean countries	765	
Receivables forwarded to Treasury for collection	49,434	
Allowance for uncollectible accounts	<u>(62,500)</u>	<u>117,209</u>

**Total assets** 2,188,023

**Less: Accrued liabilities**

Welch LLP	28,336	
NEUSTAR Pooling 1K Block	312,601	
NEUSTAR NANP Administration	190,353	
Data Collection Agent - USAC	<u>5,754</u>	<u>(537,044)</u>

**Fund balance** \$ 1,650,979

**NANPA FUND**  
**FORECASTED STATEMENT OF CHANGES IN FUND BALANCE**  
**OCTOBER 2016 TO SEPTEMBER 2017**

	Actual									Budget			Total	Budget	Variance between forecasted results and budget at Sept 30/17	
	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17				
<b>Revenue</b>																
International Contributions																
Canada (1)	19,483	9,742	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	9,741	-	116,894	116,894	-	
Caribbean countries (1)	24,439	-	-	-	-	-	-	-	-	-	-	-	24,439	24,439	-	
<b>Total International Contributions</b>	<b>43,922</b>	<b>9,742</b>	<b>9,741</b>	<b>9,741</b>	<b>9,741</b>	<b>9,741</b>	<b>9,741</b>	<b>9,741</b>	<b>9,741</b>	<b>9,741</b>	<b>9,741</b>	<b>-</b>	<b>141,333</b>	<b>141,333</b>	<b>-</b>	
Domestic Contributions - US carriers (1)	4,440,157	141,285	142,274	144,440	147,472	142,291	136,967	136,918	118,119	142,291	142,291	-	5,834,505	5,775,123	59,382	
Late filing fees for Form 499A (2)	2,300	(800.00)	800	-	400	-	400	(100.00)	900	-	-	80,000	83,900	80,000	3,900	
Interest income (3)	470	587	904	388	295	481	342	259	203	416	416	416	5,177	5,000	177	
<b>Total revenue</b>	<b>4,486,849</b>	<b>150,814</b>	<b>153,719</b>	<b>154,569</b>	<b>157,908</b>	<b>152,513</b>	<b>147,450</b>	<b>146,818</b>	<b>128,963</b>	<b>152,448</b>	<b>152,448</b>	<b>80,416</b>	<b>6,064,915</b>	<b>6,001,456</b>	<b>63,459</b>	
<b>Expenses</b>																
NANPA Administration (4)	241,963	209,832	212,034	210,753	209,832	209,832	191,884	187,332	190,353	195,561	195,560	202,122	2,457,058	2,425,461	31,597	
1K Block Pooling (5)	353,567	257,865	255,403	255,291	256,157	255,641	266,361	262,488	258,434	258,989	258,989	258,988	3,198,173	3,107,867	90,306	
Pooling Change Order 3 B																
- CLIN 15 (5)(a)	-	-	-	-	-	-	54,167	54,167	54,167	54,167	54,167	54,167	325,000	-	325,000	
- CLIN 16 (5)(b)	-	-	-	-	-	-	-	-	-	-	7,268	7,268	14,535	-	14,535	
Billing and Collection																
Welch LLP (6)	28,336	28,336	28,336	28,336	28,336	28,336	28,336	28,336	34,405	31,169	31,169	31,169	354,600	374,028	(19,428)	
Data Collection Agent (7)	5,806	5,328	7,508	8,162	5,930	5,497	6,398	6,381	6,297	5,754	5,754	5,754	74,569	69,950	4,619	
Annual Operations Audit (8)	-	-	-	46,000	-	-	-	-	-	-	-	-	46,000	47,000	(1,000)	
Bank Charges (9)	4,132	6,031	5,171	3,185	3,111	2,480	2,429	2,122	2,102	3,083	3,083	3,083	40,012	37,000	3,012	
Carrier Audits (10)	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	(300,000)	
Bad debt expense (11)	(5,648)	(3,287)	29,958	8,096	(3,810)	(6,600)	739	(1,291)	1,240	3,333	3,333	3,333	29,396	40,000	(10,604)	
<b>Total expenses</b>	<b>628,156</b>	<b>504,105</b>	<b>538,410</b>	<b>559,823</b>	<b>499,556</b>	<b>495,186</b>	<b>550,314</b>	<b>539,535</b>	<b>546,998</b>	<b>552,056</b>	<b>559,322</b>	<b>565,883</b>	<b>6,539,343</b>	<b>6,401,306</b>	<b>138,037</b>	
<b>Net revenue (expenses)</b>	<b>3,858,693</b>	<b>(353,291)</b>	<b>(384,691)</b>	<b>(405,254)</b>	<b>(341,648)</b>	<b>(342,673)</b>	<b>(402,864)</b>	<b>(392,717)</b>	<b>(418,035)</b>	<b>(399,608)</b>	<b>(406,874)</b>	<b>(485,467)</b>	<b>(474,428)</b>	<b>(399,850)</b>	<b>(74,578)</b>	
<b>Opening fund balance</b>	<b>833,458</b>	<b>4,692,151</b>	<b>4,338,860</b>	<b>3,954,169</b>	<b>3,548,915</b>	<b>3,207,267</b>	<b>2,864,594</b>	<b>2,461,730</b>	<b>2,069,014</b>	<b>1,650,979</b>	<b>1,251,371</b>	<b>844,497</b>	<b>833,458</b>	<b>899,850</b>	<b>(66,392)</b>	
<b>Closing fund balance</b>	<b>4,692,151</b>	<b>4,338,860</b>	<b>3,954,169</b>	<b>3,548,915</b>	<b>3,207,267</b>	<b>2,864,594</b>	<b>2,461,730</b>	<b>2,069,014</b>	<b>1,650,979</b>	<b>1,251,371</b>	<b>844,497</b>	<b>359,030</b>	<b>359,030</b>	<b>500,000</b>	<b>(140,970)</b>	
<b>Fund balance makeup:</b>																
Contingency	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
Surplus	4,192,151	3,838,860	3,454,169	3,048,915	2,707,267	2,364,594	1,961,730	1,569,014	1,150,979	751,371	344,497	(140,970)	(140,970)	-	-	
	<u>4,692,151</u>	<u>4,338,860</u>	<u>3,954,169</u>	<u>3,548,915</u>	<u>3,207,267</u>	<u>2,864,594</u>	<u>2,461,730</u>	<u>2,069,014</u>	<u>1,650,979</u>	<u>1,251,371</u>	<u>844,497</u>	<u>359,030</u>	<u>359,030</u>	<u>500,000</u>	<u>500,000</u>	

**Assumptions:**

- (1) The US carrier contributions for the period from October 2016 to September 2017 and the International contributions are based upon actual billings.
- (2) These fees represent the \$100 late filing fee charged to those companies that do not file the Form 499A by the due date.
- (3) Interest income projections are estimates
- (4) The cost of NANP administration is based on the contract in force until June 2017. Estimates are used for July to September 2017. \$130,000 is also added for potential change orders anticipated to be issued by Sep 2017.
- (5) The cost for 1K Block Pooling Administration is based on the contract in force until July 14, 2017. Estimates based on the existing contract amounts are used for July 15, 2017 to September 30, 2017.
- (5)(a) CLIN 15 is for the period March 22 to November 22, 2017 a cost of \$748,500. \$325,000 will be billed evenly between April and September 2017 with the remaining balance to be billed in the 2017/18 period.
- (5)(b) CLIN 16 is for the period July 31 to November 24, 2017 and is not to exceed \$29,070. Budgeted for evenly over the months of August to November 2017
- (6) The cost of B&C Agent is based on the current interim contract with Welch LLP in force until April 30, 2017 plus 10% as recommended by the FCC. The June fee includes \$5,995 for accounting software upgrades.
- (7) The expense for the Data Collection Agent is based on estimate of costs by USAC.
- (8) The expense for the annual operations audit performed by Ernst & Young LLP is based on the quote given.
- (9) Bank fees are an expense to the Fund.
- (10) The budget allowed \$300,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible at May 31, 2017.

**Reconciliation of forecast at September 30, 2017 to budget**

<b>Budgeted fund balance at September 30, 2017 - contingency</b>	<b>500,000</b>
Decrease in fund balance between budget period	(66,392)
Additional billings over estimate from budget	59,382
Late filing fees (reversal) for Form 499A	3,900
Underestimate of interest earned to date compared to budget	177
Pooling change order CLIN 15 - difference between budget and actual	(325,000)
Pooling change order CLIN 16 - difference between budget and actual	(14,535)
NANP Admin - difference between budget and actual contract awarded due to variable travel costs	4,850
NANP Admin - change orders issued	(36,447)
Decrease in B&C Agent costs - anticipated 10% increase not in effect as contract not yet renewed less software upgrade costs	19,428
Data Collection fees - Adjustment to actual from budget	(4,619)
Bad debts - Adjustment to actual from budget	10,604
1K Block Pooling - difference between budget and actual contract awarded due to variable travel costs	4,894
Pooling change orders	(95,200)
Carrier audits that will not be performed	300,000
Operations Audit - Adjustment to actual from budget	1,000
Bank fees - Adjustment to actual from budget	(3,012)
<b>Forecasted fund balance at September 30, 2017</b>	<b>359,030</b>

**NANPA FUND  
FORECASTED STATEMENT OF CHANGES IN FUND BALANCE  
OCTOBER 2017 TO SEPTEMBER 2018**

Projection based on budget												
	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
<b>Projected Revenue</b>												
International Contributions												
Canada	(1)	9,716	9,716	9,716	9,716	9,716	9,716	9,716	9,717	9,717	9,717	9,717
Caribbean countries	(1)	24,429	-	-	-	-	-	-	-	-	-	-
Total International Contributions		34,145	9,716	9,716	9,716	9,716	9,716	9,716	9,717	9,717	9,717	9,717
Domestic Contributions - US carriers	(1)	5,303,283	200,290	200,290	200,290	200,290	200,290	200,290	200,290	200,290	200,290	200,290
Late filing fees for Form 499A	(2)	-	-	-	-	-	-	-	-	-	-	65,000
Interest income	(3)	417	417	417	417	417	417	417	416	416	416	416
<b>Total projected revenue</b>		<b>5,337,845</b>	<b>210,423</b>	<b>210,423</b>	<b>210,423</b>	<b>210,423</b>	<b>210,423</b>	<b>210,423</b>	<b>210,423</b>	<b>210,423</b>	<b>210,423</b>	<b>275,423</b>
<b>Projected Expenses</b>												
NANPA Administration	(4)	201,734	201,734	201,734	201,734	201,734	201,734	201,735	201,735	201,735	201,735	201,735
1K Block Pooling	(5)	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623	266,623
Pooling Change Oder 3B												
- CLIN 15	(5)(a)	211,750	211,750	-	-	-	-	-	-	-	-	-
- CLIN 16	(5)(b)	7,268	7,267	-	-	-	-	-	-	-	-	-
- CLIN 17	(5)(c)	-	-	43,333	43,333	43,333	43,333	43,333	43,333	-	-	-
Billing and Collection												
Welch LLP	(6)	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,410	28,410
Data Collection Agent - USAC	(7)	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237	6,237
Annual Operations Audit	(8)	-	-	0	-	-	-	-	-	-	-	47,000
Bank Charges	(9)	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,166	3,166	3,166	3,166
Carrier Audits	(10)	-	-	-	-	200,000	-	-	-	-	-	-
Bad debt expense (recovery)	(11)	3,334	3,334	3,334	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333
<b>Total projected expenses</b>		<b>728,523</b>	<b>728,522</b>	<b>552,838</b>	<b>552,838</b>	<b>752,837</b>	<b>552,837</b>	<b>552,837</b>	<b>552,838</b>	<b>552,837</b>	<b>509,504</b>	<b>556,503</b>
<b>Projected Net revenue (expenses)</b>		<b>4,609,322</b>	<b>( 518,099)</b>	<b>( 342,415)</b>	<b>( 342,415)</b>	<b>( 542,414)</b>	<b>( 342,414)</b>	<b>( 342,414)</b>	<b>( 342,415)</b>	<b>( 342,414)</b>	<b>( 299,081)</b>	<b>( 299,081)</b>
<b>Projected Opening fund balance</b>		<b>359,030</b>	<b>4,968,352</b>	<b>4,450,253</b>	<b>4,107,838</b>	<b>3,765,423</b>	<b>3,223,009</b>	<b>2,880,595</b>	<b>2,538,181</b>	<b>2,195,766</b>	<b>1,853,352</b>	<b>1,554,271</b>
<b>Projected Closing fund balance</b>		<b>4,968,352</b>	<b>4,450,253</b>	<b>4,107,838</b>	<b>3,765,423</b>	<b>3,223,009</b>	<b>2,880,595</b>	<b>2,538,181</b>	<b>2,195,766</b>	<b>1,853,352</b>	<b>1,554,271</b>	<b>974,110</b>
<b>Projected Fund balance makeup:</b>												
Contingency		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	974,110
Surplus		3,968,352	3,450,253	3,107,838	2,765,423	2,223,009	1,880,595	1,538,181	1,195,766.00	853,352	554,271	-
		<u>4,968,352</u>	<u>4,450,253</u>	<u>4,107,838</u>	<u>3,765,423</u>	<u>3,223,009</u>	<u>2,880,595</u>	<u>2,538,181</u>	<u>2,195,766</u>	<u>1,853,352</u>	<u>1,554,271</u>	<u>974,110</u>

**Assumptions:**

- (1) The contribution for October 2017 - September 2018 is based on preliminary Form 499A figures provided by USAC in May 2017.
- (2) These estimated fees represent the \$100 late filing fee charged to those companies that do not file the Form 499A by the due date.
- (3) Interest income projections are estimates
- (4) The NANPA Administration contract expires July 8, 2017. The cost for NANPA administration is an estimate based on the last option year plus a 3% increase. The percentage represents the average yearly increase over the expired 4 year contract.
- (5) The 1K Block Pooling Administration contract expires July 14, 2017. The cost for Pooling Administration is provided for based on the amount provided in the final option year of the contract.
- (5)(a) CLIN15 is for \$748,500 for the period 3/22/17 to 11/24/17. \$325,000 is being billed before September 2017, the remaining is being billed in October and November 2017
- (5)(b) CLIN 16 is \$29,070 maximum, being billed from 7/31/17 to 11/24/17 (4 months)
- (5)(c) CLIN 17 is \$43,333/month for 11/24/17 to 6/30/18 (7 months)
- (6) The cost of B&C Agent is based on the expected contract cost of \$28,410 per month
- (7) The expense for the Data Collection Agent is based on estimate of costs by USAC.
- (8) The cost of the annual operations audit is based on the cost of the prior year's history of billing from Ernst & Young LLP.
- (9) Bank fees are an expense to the Fund and are estimated based on prior years' history.
- (10) The budget allowed \$200,000 for carrier audits.
- (11) The allowance covers all accounts considered potentially uncollectible.

**CURRENT AND FORECASTED LIABILITIES**

	<b>Current</b>						
	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>
<b>NEUSTAR - NANPA Administration</b>	190,353	195,561	195,560	202,122	195,485	195,485	195,485
- Payment authorized by the FCC in June May 2017							
	<u>\$ 187,332</u>						
- Authorization by the FCC has not been received for payment June 2017							
		<u>\$ 190,353</u>					
<b>NEUSTAR -1K Block Pooling &amp; Change Order 3B</b>	312,601	313,156	320,423	320,422	478,007	478,006	302,322
- Payment authorized by the FCC in June May 2017							
	<u>\$ 316,655</u>						
- Authorization by the FCC has not been received for payment June 2017							
		<u>\$ 312,601</u>					
<b>Welch LLP - Billing &amp; Collection Agent</b>	28,336	31,169	31,169	31,169	28,410	28,410	28,410
- Payment authorized by the FCC in June May 2017							
	<u>\$ 28,336</u>						
- Authorization by the FCC has not been received for payment June 2017							
		<u>\$ 28,336</u>					
<b>USAC - Data Collection Agent</b>	5,754	5,754	5,754	5,754	6,237	6,237	6,237
- Payment authorized by the FCC in June May 2017							
	6,297						
- Authorization by the FCC has not been received for payment June 2017							
		<u>\$ 5,754</u>					
<b>Carrier audits</b>	-	-	-	-	-	-	-
<b>Ernst &amp; Young LLP- Annual operations audit</b>	-	-	-	-	-	-	-
<b>Bank Fees</b>		3,083	3,083	3,083	3,167	3,167	3,167
<b>Total</b>	<u>537,044</u>	<u>548,723</u>	<u>555,989</u>	<u>562,550</u>	<u>711,306</u>	<u>711,305</u>	<u>535,621</u>

# **Deliverables Report**

## **Distributing invoices**

The monthly invoices for carriers were emailed on June 12th.

## **Processing Payments**

Payment information from the lockbox service at Mellon Bank is downloaded on a daily basis. The deposit information is recorded daily.

## **Late/Absent Payments**

Statement of accounts were emailed and mailed on June 5th to carriers with outstanding balances greater than \$10.

## **FCC Red Light Notices**

At a minimum, an updated red light report is posted to the FCC server for processing once a week. When required, additional updates are posted.

## **Helpdesk Queries**

All queries are directed to a helpdesk voicemail inbox or email inbox. The details of the query are documented in an Access database. The date, Filer ID, nature of query, name of person making the request, who responded to query and on what date and the date of resolution is tracked in the database. Queries are returned within 1 business day or less. In June 10 calls and 33 emails were received. Most queries were about requesting copies of invoices, how to make changes to their email billing address, notification about closing their business, asking what the invoice was for or asking how to make a payment.

## **Staffing Changes**

No new staffing changes to report since last month.

## **Contract Renewal**

The contract expired October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received an extension on the contract for an 6 months up to December 31, 2017.

## **Accounts Receivable**

In June we received \$80.23 from Treasury for debts collected.